

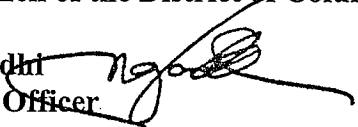
**Government of the District of Columbia  
Office of the Chief Financial Officer**



**Natwar M. Gandhi**  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Vincent C. Gray  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi   
Chief Financial Officer

**DATE:** June 14, 2010

**SUBJECT:** Fiscal Impact Statement – “Hine Junior High School Property  
Surplus Declaration and Approval Resolution of 2010”

**REFERENCE:** Draft Resolution as shared with the OCFO on June 5, 2010– No  
Number Available

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**Conclusion**

Funds are sufficient in the proposed FY 2011 through FY 2014 budget and financial plan to implement the provisions of the proposed resolution.

**Background**

The proposed legislation would authorize the Mayor to declare and approve as surplus the District-owned property located at 310 7th Street S.E., Lot 801, in Square 901 (the “Property”), commonly known as Hine Junior High School. The Property is comprised of a vacant building containing approximately 134,208 square feet sited on 137,614 square feet of land.

The Mayor has determined that the property is no longer required for public purposes for the following reasons:

- The building’s current condition necessitates cost prohibitive renovations before the property can properly accommodate a District agency or other public use on a long-term basis.
- Maintenance required to preserve the building in its undeveloped state will continue to increase and eventually overburden the District's facilities management and maintenance capacity.

The Mayor intends to sell the property north of C Street, S.E. and lease the property for 99 years south of C Street, S.E. to Stanton-Eastbanc Hine School Ventures, LLC<sup>1</sup> ("Developer"), a District of Columbia limited liability company, for the purpose of redeveloping the property as a mixed use development that would include two multifamily residential buildings with an estimated 35 rental units (most of which will be affordable housing) and 97 condominium units, approximately 50,000 of retail space, approximately 212,000 square feet of office space (or 100 room hotel as an alternative to an estimated 65,000 square feet of the office space), and below-grade parking.

The disposition of the property and exact details of the development are dependent upon subdividing the parcel into two parcels and the outcome of the developer's planned Unit Development application to the Zoning Commission which the developer anticipates submitting May 2011. Based on the Schedule of Performance, construction will begin November 2012. The assessed value of the property is \$44,672,920.<sup>2</sup>

### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2011 through FY 2014 budget and financial plan to implement the provisions of the proposed resolution. Authorizing the Mayor to declare and approve the property as surplus would have no impact on the District's budget and financial plan.

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<sup>1</sup> A joint venture with Stanton Development Corporation and EastBanc, Inc.

<sup>2</sup> This is the FY 2010 Tax Assessed Value according to OTR's Real Property Tax Database, accessed February 24, 2010. <https://www.taxpayerservicecenter.com>. A third party appraisal was conducted by an appraiser hired by DMPED to estimate the Fair Market Value of the property in its "As Is" *i.e.*, present state of condition.